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REMARKS BY FOREIGN MINISTER ON DAMS TERMED 'POSITIVE'

FY171650 Buenos Aires CLARIN in Spanish 16 May 79 p 7 FY

[Excerpt] Brazilian Foreign Minister Ramiro Saraiva Guerreiro considered recent remarks by his Argentine counterpart, Carlos Washington Pastor, to be "very positive." Pastor expressed that an agreement on Itaipu and Corpus would help to reestablish Argentine-Brazilian dialog for bilateral cooperation in other fields.

Pastor's remarks--made to CLARIN--reinforced the optimistic climate already present at Itamaraty concerning the possibility of reaching an agreement satisfactory to both countries within a short period of time. According to a Brazilian Government source, that climate was disrupted for only a few days by remarks from Argentine President Jorge Rafael Videla who said that Itaipu was a potential point of conflict in his administration's foreign policy. The same source emphasized that Pastor's remarks "surpass the Brazilian Foreign Ministry's present expectations."

INFLATION FOR 1979 PROJECTED AT 162 PERCENT

FY161203 Paris AFP in Spanish 1458 GMT 16 May 79 FY

[Excerpt] Buenos Aires, 16 May (AFP)--Argentina apparently will maintain the world record for inflation during 1979, a title it has had since 1976, according to the economic indexes released here during May. Meanwhile, these same indexes indicate that during the first 4 months of the year there has been an important resurgence of the Argentina economy which has blown away the risks of recession.

The concern which the Argentines have had for years regarding inflation remained in force when it was made known that the cost of living had increased 39.7 percent during the year's first 4 months, according to official statistics. The projection of this period's rate of increase for the other 8 months of 1979 gives the result of an annual inflation rate of 162 percent, which doubles the inflation forecast of 80 percent upon which the government based its draft of this year's budget.

To maintain this inflation forecast and thus be able to modify the budget will demand that the monthly increases from May to December do not pass 3.2 percent a month, a figure which is even lower than the monthly guidelines for the increase of several variables which the economic team established on 20 December 1978 when it announced its anti-inflationary plan. This plan consists of establishing set and decreasing increases of the public service rates and fuels and of preestablishing a peso-dollar parity until next December which must act as the framework in which the praces within the economy must be adjusted.

PROBLEM AT ATUCHA NUCLEAR PLANT FORCES POWER CUTOFF

FY171441 Buenos Aires TELAM in Spanish 2240 GMT 15 May 79 FY

[Text] Buenos Aires, 16 May (TELAM)--The State Energy Secretariat reported today that service was shut down at the Atucha nuclear plant, the largest unit in the system. This means a worsening of the situation at the generating center, forcing energy cuts greater than originally estimated. It was reported that, fortunately, the problem in this unit is not serious and that the unit will resume service the day after tomorrow, Friday 18 May, before noon. In view of all this, the Energy Secretariat reasserted its request to reduce energy consumption as much as possible. In addition, official spokemen for the secretariat estimated today that cuts in electrical energy supplies on Monday would be minimal.

DEVELOPING COUNTRIES SEEK NUCLEAR COOPERATION

PY180130 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 May 79 p 5 PY

[Excerpt] Brasilia--Brazilian Government nuclear officials have reported that although Mines and Energy Minister Cesar Cals did not mention names last Monday, the following are some of the developing countries which want to sign agreements with Brazil on technical cooperation in the nuclear sector: South Korea, Libya, Indonesia, Argentina, Chile and Peru. They added that Brazil has special interest in these agreements, but there are some restrictions of a political nature.

The sources added that Brazil can now only offer technical assistance in nuclear engineering, and that it should wait to obtain some practical results before committing itself to offering technical assistance in other areas or to exchange information. The FRG Government, which was briefed on these consultations, reportedly has no objection to the interests expressed by developing nations.

Chile, for instance, has made consultations on building reactors in partnership with Brazil. There has, however, been strong opposition to any rapprochement with Libya in the nuclear field since the time of former Foreign Minister Azeredo da Silveira.

GOVERNMENT REPORTEDLY TO RECOGNIZE PLO

PY180008 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 17 May 79 PY

[Text] Sao Paulo--Iraqi Vice President Taha Muhyi ad-Din Ma'ruf stated today in Sao Paulo that tomorrow Brazil will officially recognize the Palestine Liberation Organization, the PLO. According to the visiting foreign official, Brazil and Iraq will issue a joint communique tomorrow in which they will state their recognition of the PLO as the only legitimate representative of the Palestinian people. The Iraqi information minister has reported that Iraq has already requested the Brazilian Government to authorize the opening of a PLO representation office in Brasilia.

OPPOSITION LEADER REACTS TO LIQUIDATION RUMORS

PY180055 Rio de Janeiro O GLOBO in Portuguese 16 May 79 p 6 PY

[Excerpts] The MDB [Brazilian Democratic Movement] national president, Deputy Ulysses Guimaraes, had a press conference yesterday at which he stated that if political parties are eliminated, the opposition will officially denounce this fact at international forums, taking Brazilian domestic problems abroad for the first time in its history. He added that "the MDB will not die like a lamb; it will bleat in order to be heard in Brazil and abroad."

Guimaraes addressed President Figueiredo, Minister Petronio Portella and the ARENA [National Renewal Alliance] president, Senator Jose Sarney, reminding them of their commitments to restore democracy and warning that "the MDB and the nation will not accept the role which any ministry clique may care to grant the opposition, because it would then be a pseudo-opposition no better than an indecent gang of hypocrites or a despicable bunch of cynics.

"I would also like to say," Guimaraes went on, "that should the threat to liquidate the opposition be implemented, I will knock on the door of the Brazilian Press Association. There is no partisan desire to save the MDB from criticism, but to save the right to criticize which is an essential element of journalism. The journalists must recall Vladimir Herzog."

Guimaraes said he will appeal to the Brazilian Bar Association [OAB] to claim "the right to legitimate defense," and recalled that when "an attempt was made to subordinate the OAB to the Labor Ministry, the MDB unanimously opposed the threat to this age-old institution."

He said: "I am sure that the OAB will not desert us now. I will not hesitate to appeal to the CNBB [National Conference of Brazilian Bishops]. After all, essential participation, defense of the oppressed and the needy, and the Christian convictions of the church are at stake.

The MDB president also said that the concern of the Democrats has been increased with news of liquidation of political parties released by the press.

He said: "Now they have coined a new expression: Party reorganization [reformulacao partidaria]. As a good Brazilian, I hope it is not a disguise for the liquidation of the parties."

Guimaraes continued: "I read in the press a pretext which will deceive no one--that the parties were created by an institutional act as temporary organizations and that they have played out their role. It is unbelievable that the MDB could be condemned to extinction for trying to reaffirm itself as a party."

He added: "I have received a number of invitations from the French Socialist Party, from Mexico, Colombia, Venezuela and Portugal. I never wanted to discuss Brazilian domestic problems beyond our borders. However, should the outrage of liquidation be perpetrated I will take the matter to international meetings which are interested in the existence of free parties as a prerequisite for democracy, such as the inter-parliamentary union and the Latin American parliament.

Varied Response to Statement

PY180151 Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 May 79 p 1 PY

[Text] Justice Minister Petronio Portella has branded as "terrorism" the reaction of Ulysses Guimaraes, president of the Brazilian Democratic Movement, to reports that the government is studying the elimination of the existing parties. The minister believes that the MDB leader may have been trying to create mental barriers "for those want to militate in the opposition, but under new parties."

Senator Tancredo Neves, senator for Minas Gerais, espoused the declaration made by Guimaraes and voiced alarm over the fact that "the country is heading toward a political vacuum of unpredictable consequences." The subject of eliminating the parties or reorganizing the party system is being discussed within the Brazilian Democratic Movement and National Renewal Alliance separately.

Government Leader's Reaction

PY180152 Rio de Janeiro O GLOBO in Portuguese 16 May 79 p 6 PY

[Excerpt] "They are already hanging on to Rosalyn Carter's skirt," Deputy Nelson Marchezan, government leader in the Chamber of Deputies, said yesterday commenting on the declaration made by Deputy Ulysses Guimaraes, president of the Brazilian Democratic Movement, that he will go so far as to resort to international organizations should the government decide to dissolve the existing parties.

The government leader reacted to the declaration by the opposition leader with this observation: "Deputy Ulysses Guimaraes cannot set himself up as a judge on anything because he is just a participant in the process, and what he thinks has merit but cannot be taken as law."

Seizure of Taped Interview

PY180155 Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 May 79 p 3 PY

[Excerpt] The president of the Brazilian Democratic Movement, Deputy Ulysses Guimaraes, complained yesterday about the seizure by the federal police of the videotape of a 4-hour interview he had granted to the Brazil-Oeste television station from Cuiaba, Mato Grosso do Sul state. Guimaraes said that "this is just another routine and absurd action, because every time the opposition appears on television it is subject to threats and even punishment."

EDUCATION MINISTER CONCERNED OVER STUDENT MEETING

PY180158 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 79 p 21 PY

[Excerpt] Brasilia--Education Minister Eduardo Portella, speaking at a meeting held yesterday by the Social Development Council (CDS), expressed his concern over the meeting to reorganize the National Student Union [UNE] scheduled for 29-30 May, a Planalto Palace adviser has reported.

Briefing the CDS meeting, which was attended by President Figueiredo, Portella outlined the measures adopted in relation to the UNE meeting. He also expressed his apprehension over the possibility of calling police forces to repress the meeting.

Portella told the other ministers of the social sector that he had already talked with Bahia Governor Antonio Carlos de Magalhaes and Augusto Mascarenhas, rector of the Federal University of Bahia, whom he asked to treat the students cautiously.

The minister stated that the police will be called only if federal property is damaged. The university will neither authorize nor grant any financial contribution for the meeting. He noted, however, that he had asked government officials to avoid conflicts, to not call the police unnecessarily, and to avoid excesses against students.

CONTRERAS, ESPINOZA SEEK TO AVOID MILITARY COURT PROBE

PY171857 Buenos Aires LATIN in Spanish 1727 GMT 17 May 79 PY

[By Rene Oviedo]

[Excerpts] Santiago, Chile, 17 May (LATIN)--Two army officials will appeal the court decision which denied their extradition to the United States but did recommend that their alleged participation in the murder of former Chilean Foreign Minister Orlando Letelier be investigated by a military court.

The recommendation was made on Monday by Supreme Court President Israel Borquez, who acted as a judge of the first instance in the extradition process for three officers of the Chilean army requested by the United States.

According to the official announcement made today, the defense of the former director of the disbanded National Intelligence Department [DINA], Gen Manuel Contreras (ret), and the former director of DINA's operations department, Col Pedro Espinoza, will appeal part of the Borquez decision.

In this part, the judge of the first instance recommended that the second military court investigate whether or not the officers and Capt Fernandez have some responsibility in the assassination of Letelier and his U.S. aide, Ronni Moffit.

The main part of the decision rejected the extradition requests presented by the U.S. Government, saying that there was not enough evidence.

Carlos Cruz Coke, Fernandez' defense counsel, said that he was satisfied with the decision and, therefore, would not appeal. However, jurist Sergio Miranda Carrington, who defends Contreras and Espinoza, asserted that he would appeal.

Alfredo Etcheberry, the lawyer for the U.S. Government, also stated that he would appeal the decision of the judge of the first instance.

The lawyers for both sides have until Saturday to appeal before the Secretariat of the Supreme Court, the court which should decide in which one of the three possible chambers the case will be heard.

The chambers are made up of five magistrates who, after hearing the positions and studying the background of the case consisting of about 2,600 pages, will issue their final decision, which cannot be appealed.

There is no set deadline to determine the choice of court or for its members to make their final decision. This could happen either this month or in June.

Lawyer Etcheberry left last night for Washington to analyze the first instance decision and study it along with U.S. prosecutors.

The lawyer will prepare the defense for the second instance process in the United States.

He will also look into the possibility of meeting with Michael Townley, sources close to his office said.

U.S. SAID TO CHOOSE WRONG COURSE IN LETELIER CASE

PY161436 Santiago Chile Domestic Service in Spanish 1145 GMT 16 May 79 PY

[Rafael Kistainer commentary]

[Text] Submitting to pressure from Senators Edward Kennedy and Frank Church, the U.S. Government has recalled its ambassador to Chile, George Landau.

A brief communique issued by the State Department in Washington states that George Landau's trip is for consultation in connection with the recent ruling of Chilean courts refusing the extradition of three Chilean Army officers whom the U.S. Government wants to try as part of the Letelier affair.

The ruling of Supreme Court President Israel Borquez is very clear and specific: Extradition is not granted because there is not enough evidence to justify sending the three officers to be tried in the United States.

The Chilean Government fully respects the independence of the judicial branch and has never failed to abide by the ruling of the courts. It could be no other way in a state of law such as exists in Chile. Proof of this is that in many cases, such as when the government itself has filed charges against persons for breaching public order--like those arrested on 1 May--the cases have been dismissed by the courts and the persons involved have been released. In these cases, General Pinochet's government has accepted the rulings even though it has disagreed with them. Therefore, the government can do nothing else in the extradition case, regardless of the pressures it may receive from Washington.

Chileans are aware that some have tried to make a political issue of the Letelier case, which is nothing but a court case and has been dealt with accordingly. There are some who, in their effort to besmirch the Chilean Government, have not hesitated to sling mud at its highest officials in an irresponsible and underhanded manner.

The shortsighted policy of those who engage in this has not allowed them to see that Chileans know very well to which side belong the terrorists, the murderers, those who in the name of the revolution--with either alien or domestic connotations--carry out all kinds of violent actions without any regard whatsoever for human life. Thus, the U.S. Government has made a mistake if it believes that either diplomatic or economic pressures will change the course of events. Chilean courts will continue to exercise their independence and autonomy when issuing their rulings and the executive branch will continue to abide by these rulings, whether they are favorable to it or not.

Chile will remain in a state of law and Chileans will maintain their support for a government which has proven its fairness and seeks to make Chile an economically strong country capable of providing for its inhabitants, united in its appreciation of the essential human values and free to choose its own course of action.

To achieve this Chileans are prepared to withstand any pressure and make any sacrifice.

Accusation of Anti-Latin Bias

PY171541 Santiago Chile Domestic Service in Spanish 1145 GMT 17 May 79 PY

[Rafael Kistainer commentary]

[Text] I would like to talk to you about an island lost in the middle of the Pacific Ocean. The name of the island, I am sure, you have heard in some movie or other or seen when casually perusing an atlas.

This island is called Samoa, a very passionate-sounding name. Samoa has approximately 195 square kms, which means that it is an island of about 20 by 10. It is populated by 29,000 inhabitants and its capital is Pago Pago.

You are probably wondering why I am talking about this island. I am doing so, ladies and gentlemen, because Samoa is owned by the United States and there, in the capital of Pago Pago, the Americans can have a say about the legal system.

However, they can have no say about this matter here, in Chile, an independent nation for more than 160 years, possessing a power and government structure which is even better than the one the Americans themselves have in more than one way.

I am talking about this because at this point political circles and news media all over the continent are discussing the attitude evidenced by the United States after the ruling of the president of the Supreme Court rejecting the extradition requested by the U.S. Government against three officers of the Chilean Army: General Contreras, Colonel Espinoza and Captain Fernandez Larios.

The president of the Supreme Court ruled that the evidence provided by the legal representative of the United States was not enough to justify extradition.

In view of this sovereign, legitimate and perfectly sound action of our judicial branch, the U.S. State Department, giving proof of its recently acquired talent, has issued a declaration which you are probably aware of and which among other things says: The evidence provided by the United States to the Chilean Supreme Court abundantly justifies the extradition. The Yankee communique added that the strength of this evidence was confirmed on 14 February 1979 by the jury of this city, meaning Washington, which sentenced two other persons charged with complicity in first degree murder of a foreign official.

This is the part of the U.S. communique which interests us now. We had no idea that Secretary of State Cyrus Vance and State Department Spokesman Hodding Carter were legal experts with knowledge of Chilean court proceedings. We had no idea that they were lawyers with a right to practice in Chile, thus being able to express their opinions with so much assurance and authority, regarding a ruling issued by the president, no less, of the highest court of our country.

As we have seen, they say that the evidence provided by the United States abundantly justifies the extradition and add that the validity of this evidence had been confirmed by the jury which sat on the Townley case and by the sentences handed down in this trial.

The thing is, ladies and gentlemen, that this evidence might be enough for U.S. courts, but, thank God, the Chilean legal system is entirely different. And in the same way we refrain from commenting on the extraordinary nature of U.S. justice, we would like the U.S. justice and the U.S. State Department to refrain from commenting, and much less applying pressure, on a ruling of Chilean courts.

For example, we fail to understand--but are not interfering with--what happened with the Townley affair. Because there certainly have been some strange things about the Townley case.

Townley was tried, he made a deal with the U.S. court and this very deal with the court is what is working against his statements according to Chilean law. Chilean trial proceedings, in effect for the last 100 years at least, declare null and void any statement of persons who have been subject to pressures, threats or promises.

Since in Townley's case it is obvious that he squealed on half of the world to get a light sentence, there is no doubt that his statements are biased, and whatever Townley might have said to U.S. courts has no validity in Chilean courts.

Neither do we understand the final result of this curious trial: Let us see why not. Townley is taken to court and asked what he did. The guy opens up and says: I made and placed in the car the bomb which killed Orlando Letelier. I am the one who did it.

Further on Townley is asked: And who are those people who are sitting there? Townley says: Those are the Cubans who helped me. And how did they help you, Mr Townley? Oh, well, they watched Letelier prior to the killing and they arranged a place where I met them and where I made the bomb which I placed in the car which was carrying Letelier and his secretary.

Marvelous, says the U.S. judge. Therefore, Mr Townley, since you are such a nice person and so helpful to the court, I am giving you 40 months in prison. As to those who are just Cubans, Latin Americans, I will give them two life sentences each.

Thus, ladies and gentlemen, we are confronted with something utterly incomprehensible for us. The perpetrator of the murder gets 40 months while his accomplices are sentenced to life. Thank God our legal system is different.

There are of course, other questions to be asked in connection with this affair. We would like to know, for example, whether the United States has adopted, or is prepared to adopt, toward other countries the attitude shown toward us.

We have an example which is barely 4 days old. Only 4 days ago the new Iranian Revolutionary Government, headed by Ayatollah Khomeini, gave carte blanc to any Iranian or any members of an Arab organization to murder the shah and his family wherever they may be at that time. They did not stop at this, not only did they encourage murder of the former shah and his entire family, they also promised that the murderers of the royal family will not have to fear the consequences of their actions because the Iranian Government will wield the full weight of its diplomacy and oil power to prevent the perpetrators of this murder it advocates from being tried anywhere in the world.

We know that the shah and his family, currently staying in the Bahamas, have a visa to go to the United States; however, we are not aware whether the U.S. administration, in response to this public encouragement to murder, has shown the same moralistic attitude and rending of clothes as in the Chilean case. It is easy to see that we are not an oil-exporting country.

However, let us view it from the proper angle. The press and news media in general, obviously including radio and TV, provide broad coverage of the reactions this case has elicited in the United States. But we must bear in mind that if 1 percent of the average Americans have an idea of what the Letelier-Townley case is, that is saying a lot. Most Americans do not know whether Chile is a Brazilian province or whether Santiago is located south or east of Bogota.

In addition to this, the average American has other, more immediate problems and the coverage the Townley case gets is relegated to inside pages of the dailies and the interest in it decreases day after day.

At this point the Americans are facing problems such as the fuel rationing--thanks to which fuel pumps are taken by assault by the drivers--and other problems such as last months 1-percent decline of the country's industrial production, which is very serious. In fact they have plenty of problems which interest them much more than an obscure case involving a Latin American country.

The man responsible for most of the waves in this case is Senator Edward Kennedy, about whose personal life and political performance we could make more than one comment. It would suffice, however, to say that Senator Edward Kennedy, who is a proven perjurer and liar who was acting in a decidedly underhanded and crooked manner in the death of his secretary [as heard], Miss Kopechne, which took place on Cape Cod, has no moral authority to voice an opinion on the ruling of a Chilesn court.

It is possible that the United States--which is lately having a bad time--is trying to chalk up a good mark for itself even if it has to be at the expense of a small country like Chile. Of course, this could be a serious mistake.

A country like ours, which freed itself from Cuban-Soviet imperialism on 11 September 1973, is not likely to lose any sleep because in the United States some people do not like the way a ruling of a Chilean court fell. Furthermore, beware the following: It may well be that the rest of Latin America could start looking askance at the pressure applied by the U.S. Government against us.

In fact, there is an example at hand: Yesterday's issue of THE BUENOS AIRES HERALD, which is published in Buenos Aires in English for the British and U.S. community, discusses the Chilean court ruling and the U.S. reaction in the following manner: But the U.S. Government will be exceeding its rights and setting a deplorable precedent if it uses its immense political and economic leverage in an attempt to get the Chilean Supreme Court to reverse its refusal to allow the extradition of the three former secret police officials allegedly involved. THE BUENOS AIRES HERALD also wonders whether: "The U.S. courts would allow the extradition of a CIA director, past or present, to stand trial in Moscow for some murder committed by one of his subordinates? It adds: "The answer is so obvious the question is hardly worth posing.

Finally, THE BUENOS AIRES HERALD states: By treating with manifest contempt a questionable but legitimate decision of the Chilean Supreme Court and obliquely threatening some political or economic retribution the United States has merely given extra strength to the forces it is seeking to debilitate. Its approach may impress public opinion in Washington, but it is unlikely to help its friends in Latin America.

This is the first Latin American reaction to this case.

And now I would like to give some sound, permanently valid advice: First, let us not lose any sleep, we have had more important battles to wage and we have won them. In the second place, U.S. public opinion is not interested in the case. Thirdly, thank God our legal system is different from theirs, and the ruling of the president of the Supreme Court is undeniable proof of this.

GENERAL MATTHEI GIVES PRESS CONFERENCE

PY171843 Asuncion ABC COLOR in Spanish 17 May 79 p 18 PY

[Text] "There are no deadlines," said Gen Fernando Matthei Aubel, member of the Chilean military junta which has ruled the country since 1973, when answering a question by the press regarding the date when the military will hand over power to civilians.

He said that "we are only four military men who are at the head of the process, while those who work in the undertaking are all civilians. We military men have no political vocation, but we will not lack the courage to continue," he added, referring to the process initiated by the military junta after the overthrow of Salvador Allende's government on 11 September 1973.

During a press conference, called yesterday morning at the Chilean Embassy, the representative of the Chilean executive branch admitted that "there is no full freedom for labor unions" in Chile. He stated that "the Chilean workers have learned their lesson and suffered the consequences of the popular unity experiment."

He asserted: "It was the workers who said: 'No more work,' in view of the open political manipulation of which they were the victims. Now the worker is awfully mature. He accepted in a commendable way the necessary restrictions for a return to normalcy. The government is fully aware of this."

Regarding the U.S. Government's calling home of its ambassador to Chile, Walter Landau, General Matthei stated that he was not very well informed, "but one thing is very clear," he said. "Every nation has its own internal order. The extradition case lies within the sole competence of Chilean justice: The Chilean Government is not the counterpart of the U.S. Government. The decision of the judge was simply obeyed," he added, referring to the refusal of the Chilean court to grant the extradition request for three officers, presumably involved in the murder of former Foreign Minister Orlando Letelier in Washington.

He explained that when Michael Townley--who has confessed his participation and implicated the three officers--was deported, it was taken into account that he is a U.S. citizen. "If the court says that they should be extradited, this will be done," said the member of the Chilean military junta.

When asked about the situation of the Beagle Channel negotiations, Matthei said that "Chile cannot say that the negotiations have failed. We frankly hope that the talks will prove fruitful. We have 100 percent confidence in the action of the Holy See." He concluded by saying that Chile still has not conquered communism and that "nobody can be foolish enough to think otherwise."

UNIVERSITY LEADER SAYS STUDENT STRIKE SUSPENDED

PY171406 Santiago Chile Domestic Service in Spanish 1100 GMT 17 May 79 PY

[Excerpt] The Federation of Students Center of the University of Chile will not remain passive in the event on new political demonstrations at the University of Chile, said the president of this organization (Eric) [name indistinct]. He also reported that the strike scheduled for today by dissident sectors has been suspended for lack of support among the students.

The leader also indicated that the events which have taken place at the universities recently are being carried out by politicized minorities which seek publicity.

CASTRO-LOPEZ PORTILLO MEETING ON COZUMEL ISLAND

Comment by Paper

PA160228 Paris AFP in Spanish 2054 GMT 15 May 79 PA

[Text] Mexico City, 15 May (AFP)--Fidel Castro's planned visit to Mexico on Thursday and Friday was described today by several Mexico City newspapers as confirmation of Mexico's policy to "keep the doors of friendship open to the world." EL NACIONAL, the voice of the government, affirmed that "Fidel Castro's visit to our country had been planned for a long time but different imponderables had prevented it. The fact is that Fidel Castro had always wanted to visit Mexico as president of the Cuban Councils of State and Ministers, as Cuban Ambassador to Mexico Fernando Lopez Muino has stated in several interviews," the paper said.

The center-leftist UNO MAS UNO today made a brief editorial analysis of the relations between Cuba and Mexico. "Sometimes stormy but always nurtured by multiple historic and geographical reasons, as well as by the imperative need for the solidarity that must exist between nations which are or have been mistreated by imperialism, the relations between Mexico and Cuba have survived all pressures," the editorial said. On the relations between the two countries, it said that "these are now culminating in Cuban leader Fidel Castro's visit, in an encounter with Mexican President Jose Lopez Portillo." Finally, it said that "our friendship with Cuba is no reason for anyone to become our enemy."

The progovernment newspaper LA PRENSA comments on Fidel Castro's forthcoming visit in the following terms: "Mexico will receive him with the hospitality which is already characteristic of us. It has been demonstrated in receiving the head of the Catholic church as well as other persons, even heads of state (French President Valery Giscard d'Estaing and U.S. President Jimmy Carter have already visited Mexico this year) of the most varied tendencies and currents." LA PRENSA emphasized that "the thoughts of the Mexican Government and people are eminently pluralist and we are all very much aware that Mexico is part of a world which includes every kind of political system."

Security Preparations

FL171319 Merida Radio Yucatan Network in Spanish 1245 GMT 17 May 79 FL

[Text] Cozumel, Quintana Roa--Amid strong security measures yesterday, preparations continued for the visit to that island by Cuban President Fidel Castro to hold talks with his Mexican counterpart Jose Lopez Portillo. Castro is scheduled to arrive today from Havana to the Cozumel airport at [words indistinct] for a 2-day visit [words indistinct]. Another report from Cozumel states that there is a lot of movement on that island in the Mexican Caribbean preparing for the arrival of Dr Fidel Castro Ruz, president of the Republic of Cuba. The advanced security forces are in full action. On all routes on the island one can see Mexican militarymen and Mexican and Cuban civilians who are responsible for security during the Cuban leader's stay.

Report on Arrival

FL171707 Havana Domestic Service in Spanish 1640 GMT 17 May 79 FL

[Excerpt] Commander in Chief Fidel Castro, president of the Cuban Councils of State and Ministers, today arrived in Cozumel, a beach resort on the Mexican Caribbean, for an official 2-day visit. The maximum leader of the Cuban Revolution received the personal welcome of Mexican President Jose Lopez Portillo, who was at the local airport to welcome him. The PRENSA LATIN cable from Cozumel states that Fidel Castro and Lopez Portillo today will hold two rounds of talks for which there is no agenda.

Castro's Comments

FL171919 Havana Domestic Service in Spanish 1859 GMT 17 May 79 FL

[Text] Radio Reloj reporting: On arrival at Cozumel Island, Fidel Castro was rendered honors in accordance with his high office by a detachment of Mexico's presidential general staff while an artillery unit fired a slavo. In a brief speech, Fidel expressed satisfaction on returning to Mexican territory after a 23-year absence and announced the Cuban Government's determination to strengthen even more its relations with Mexico.

Further on Speech

FL171921 Havana Domestic Service in Spanish 1902 GMT 17 May 79 FL

[Text] Radio Reloj reporting: On arrival in Mexico, Fidel stated that some persons around the world speculated about the motives for his visit to Mexico when they learned about his meeting with that country's president. There is nothing unusual about it; there is no mystery. We have not come to Mexico to ask for material things. Fidel added: We have not come to ask for Mexican oil or gas, which is the fashion nowadays. There are no problems or differences between Mexico and Cuba.

First Round of Talks

FL180117 Havana Domestic Service in Spanish 0105 GMT 18 May 79 FL

[Text] The Mexican and Cuban leaders, Jose Lopez Portillo and Fidel Castro, respectively, at noon today began the first round of talks in the conference hall of the Sol Caribe Hotel in Cozumel. At the conclusion of the talks, which lasted 2 and 1/2 hours, gifts were exchanged and then they attended a lunch hosted by Lopez Portillo. Participants in the talks for the Cuban side included Council of State Vice Presidents Ramiro Valdes and Carlos Rafael Rodriguez, Foreign Minister Isidoro Malmierca, State Committee for Economic Cooperation Minister-President Hector Rodriguez Llompart, Council of Ministers Secretary Osmani Cienfuegos, Cuban Ambassador to Mexico Fernando Lopez, Food Industry Minister Jose Alberto Naranjo and Vice Minister of Interior Jose Abrahantes.

Castro-Lopez Portillo Address

PA180032 Madrid EFE in Spanish 2340 GMT 17 May 79 PA

[Text] Cozumel, Mexico, 17 May (EFE)--Fidel Castro said here today that he favors democratic societies capable of deciding their own future as he paid tribute to the Mexican revolution. During a toast after the official luncheon offered by Mexican President Jose Lopez Portillo, the Cuban leader noted that the Mexican revolution "contributed to America's advances in the great political and social changes of our times." Castro recalled the Mexican struggle for independence in the face of the French invasion in 1862, U.S. intervention and the 1938 oil expropriation, expressing his admiration for Mexico's heroes.

Later Castro voiced Cuba's support to President Lopez Portillo's proposal to consider oil as a resource belonging to mankind. "Cuba fully supports Mexico's courageous, wise and patriotic oil policy," said the president of the Cuban State Council. Castro also praised President Lopez Portillo for his ideas on oil and government and expressed satisfaction that Lopez Portillo is the one who is directing Mexico's energy policy. He also demanded "just and civilized treatment" for Mexican immigrants in the United States.

Castro, who criticized the United States two or three times during his speech without going into detail, later pointed to the need to defend Latin America's natural resources and to eliminate the tyrannical regimes there. This was when he referred to the need to "establish democratic societies capable of deciding their own future." At the end of his speech, Castro referred to the reunion between Mexico and Cuba which in his opinion "constitutes a confirmation of the faith in the common destiny of both countries." He then gave a toast to the "lasting friendship" between Mexico and Cuba.

In turn, the Mexican chief of state referred to Castro as "a symbol and a legend of one of the most important social revolutions of the latter half of this century." Lopez Portillo, who underlined the historic bonds between Mexico and Cuba, recalled--just as Castro did in his speech--that Mexico has been a land of asylum for Cuban patriots, including Castro. He then said the Mexican revolution, the first of a social nature in this century, is now having problems because of its geographical position and because "justice has become entangled in the path of freedom." [as received]

He added that his country was going through a time of danger, risk, opportunities and possibilities, all simultaneously, as result of its oil, a resource which today "constitutes a factor of peace or war." [passage indistinct] to consider fuels as a resource for mankind. In that way, he added, the new world economic order, which is still an empty standard that must be fulfilled, would have some substance.

Finally, Lopez Portillo toasted Mexican-Cuban friendship and described it as "fraternal and indestructible."

DIPLOMATIC RELATIONS ESTABLISHED WITH ST LUCIA

FL180106 Havana Domestic Service in Spanish 0054 GMT 17 May 79 FL

[Text] Mexico City--The governments of Mexico and St Lucia, a Caribbean island country which proclaimed its independence in February, have established diplomatic relations at the ambassadorial level.

NEW OIL DEPOSITS FOUND IN SOUTHEAST

PA170208 Paris AFP in Spanish 0147 GMT 17 May 79 PA

[Text] Mexico City, 16 May (AFP)--The state enterprise Mexican Petroleum has discovered four new oil deposits in southeastern Mexico, Director General Jorge Diaz Serrano announced today. The new hydrocarbon deposits whose extension has not been estimated as yet are located between the states of Veracruz and Tabasco on the Gulf of Mexico.

EFFORTS TO CURB FUEL SMUGGLING UNDERWAY

PA180409 Mexico City International Service in Spanish 0030 GMT 18 May 79 PA

[Text] Beginning on Monday U.S. customers will not be able to buy gasoline in the state of Baha California; only tourists will be served, Governor Roberto de la Madrid has announced. He said that Mexican Petroleum is controlling its sales and will sell diesel only to those who can prove that they are farmers or industrialists. This is being done to avoid hydrocarbons smuggling.

EL SALVADOR

SITUATION REMAINS CRITICAL THROUGHOUT COUNTRY

Romero's Appeal for Dialog

PA180305 Panama City ACAN in Spanish 0225 GMT 18 May 79 PA

[Text] San Salvador, 17 May (ACAN-EFE)--Salvadoran President Gen Carlos Humberto Romero tonight issued a call to all Salvadoran sectors to hold a dialog in order to overcome the wave of political violence which this Central American nation has been experiencing and which has left a toll of more than 30 dead civilians and soldiers. Speaking on a national radio and television network, the president said that the problems to be discussed are urgent and that they must be discussed soon.

Romero invited the political parties, universities, professional organizations, unions, churches, private enterprise and other legally recognized organizations to join efforts to establish a national forum and to make an immediate and effective contribution toward a process of authentic popular participation in national political affairs. General Romero said that based on these proposals, his government is receptive to a "loyal and frank dialog through which we will be able to accomodate the most cherished and essential interests and in which we will be able to act with absolute nobleness and a spirit of truth."

The Salvadoran president added that even though what he is offering today is a broad and honest proposal, he does not ignore the fact that apparently unalterable positions might be resented, indicating that because of this the utmost sacrifice has to be made in order to "hear all of us and accept the just and the possible within what is the most advisable for the great majority of Salvadorans and the country." He reiterated that in order for this democratic proposal to be successful, it is necessary that all Salvadorans accept this call for a dialog and for participation, contributing their patriotic help in the search for solutions to the problems.

He stressed that the formula he is proposing constitutes the government's honest desire to strengthen democracy in the country, indicating that it must be very clear that this stand "in no way means that we are going to abandon our struggle against anarchic forces." He noted that, on the contrary, "our objective of strengthening the democratic system remains unwavering, and due to this, our struggle against subversion and terrorism will remain unchanged, because it is our constitutional duty and the desire of the Salvadoran people."

In his message to the nation, Romero offered to guarantee free elections in March 1980 to elect 54 new deputies and 261 municipal councils. He said that if it is necessary he is willing to support the legal reforms that are needed to promote the process of representative democracy in El Salvador. President Romero stressed that this democratic proposal will not be well received by the terrorist groups "since what they are least interested in is the electoral paths that representative democracy offers to find solutions to problems."

He noted that since its beginning, his administration has made efforts to project itself democratically but that it has been treacherously attacked by international subversion, agents of which infiltrated labor movements and carried out actions or intentionally failed to carry them out on occasions that the people have not yet forgotten, attacking the life, health and economy of the Salvadoran family, which has caused a logical and natural adverse reaction in all sectors. In this regard, he indirectly recalled a number of labor strikes in April and a 23-hour blackout during those strikes.

General Romero's regime will have been in office 2 years on 1 July. Romero has not had a moment of peace since he took office due to the frequent action of armed leftist groups. The president said he is the first to regret the consequences of the problems El Salvador has experienced in the past few days and which, he said, "should make us believe that violence can never be the solution to the political, social and economic problems of our fatherland." He said that the only thing that the groups which have been provoking violence in El Salvador seek is to achieve political power in order to impose a socialist government here.

The president said that those groups should know that the Salvadoran people and its armed forces reject terrorism and will defend with full civic spirit the democratic, republican and representative system that the nation's political constitution establishes. He concluded by expressing his hopes that jointly all Salvadorans will wage this crusade to save the fatherland from violence and lead it to its higher destiny "through the paths of peace, concordance and justice."

Meeting With BPR Commission

PA181302 Panama City ACAN in Spanish 2200 GMT 17 May 79 PA

[Text] San Salvador, 17 May (ACAN-EFE)--Venezuelan delegate Regulo Velasco met today, Thursday, for the first time with the People's Revolutionary Bloc (BPR) negotiating commission, while the French delegates did so for the third time. The information was supplied to ACAN-EFE by a commission spokesman who refused to five details of the topics discussed. Velasco talked for 30 minutes with the bloc negotiators, who expressed satisfaction on the talks with the Venezuela official. The latter said they had discussed steps to be taken in the upcoming meetings, reiterating their demands for the release of three of their companions, the integrity of the occupants and a report to the United Nations and the OAS on the situation in El Salvador.

They also want the Salvadoran Government to publish in that country a BPR report dealing with cases of persecution and other political matters in that Central American nation. It was said that the last point had already been fulfilled and that the next meeting will be held tomorrow. It was added that Velasco arrived alone at his meeting with the commission. The spokesman explained that the sessions with Venezuelan and French representatives will be conducted separately and reiterated that the results of the meetings will be revealed after a final solution to the conflict is reached.

Meanwhile, also today, French special envoy Philippe Cuvillier and another companion met with the commission for 4 and 1/2 hours. It was the third meeting between the two and, according to the participants, the talks were encouraging. The spokesman refused to give any date or the days the process may take before the BPR ends the occupation of the French and Venezuelan embassies. He said, however, that it would go beyond 15 days.

The BPR is insisting that the Salvadoran Government release Nuna Alberto Escobar, Marciano Melendez Duenas and Jose Oscar Lopez. The government has repeatedly denied it is holding these three persons but admitted having Facundo Guardado and Jose Ricardo Mena under custody. They were included in the list of those to be released, and they have already been set free. The BPR spokesman said the group had denounced a military operation early today in a rural sector of Tecoluca jurisdiction, 68 km east of this capital. They said that some 500 troops occupied La Cayetana, Leon de Piedra, El Perical and La Paz Ppico cantons and raided some peasants' homes after firing shots in the air. They said they had no further information on that action. Meanwhile, a demonstration march was scheduled for this afternoon from the cathedral to the general cemetery to place a plaque with the names of the 23 persons killed in the 8 May incidents. Also today, the United Popular Action Front (FAPU) will abandon the Calvario and Maria Auxiliadora churches occupied since yesterday.

Guarantee of Hostages' Safety

PA172247 Caracas Radio Rumbos Network in Spanish 1530 GMT 17 May 79 PA

[Text] The safety and physical integrity of the Venezuelan and Salvadoran hostages in San Salvador has been guaranteed. The leader of the guerrillas who seized our embassy in that capital has affirmed this. A person by the name of Carlos has identified himself as the chief of the Venezuelan Embassy seizure operation. According to him, nothing will happen to the hostages. The hostages' physical integrity was one of the basic conditions that the Venezuelan Government demanded from the Salvadoran authorities when the talks with Ambassador Reguld Velasco [as heard] began. This information partly dispels existing doubts.

The guerrillas also claim that they have not interrupted the communications with the Venezuelan Embassy. We have touched neither the embassy's TELEX machines nor its phones, Carlos told a VENPRES news agency correspondent. Phone and TELEX communications with the embassy have been interrupted since 2200 on Friday. Further on, Carlos said: Ours is not a terrorist organization but a mass movement seeking only to publicize certain facts that the world should know about. We are not acting in a criminal way, Carlos added. He also said that the struggle being waged by his movement will continue in El Salvador.

Armed Clashes Throughout Country

PA171930 Panama City ACAN in Spanish 1655 GMT 17 May 79 PA

[Excerpt] San Salvador, 17 May (ACAN-EFE)--Five uniformed men were killed today during violent clashes in Suchitoto, 44 km northeast of the capital, and in Santa Tecla, 12 km west of the capital. In Suchitoto, three sailors were machinegunned in their headquarters by unidentified men who also fled after the incident. In Santa Tecla, two national guards on duty at the educational television building were also machinegunned. The police station in Chalchuapa, 78 km west of San Salvador, was badly damaged by an explosion.

Two Attacks by FPL

PA172255 Paris AFP in Spanish 2152 GMT 17 May 79 PA

[Excerpt] San Salvador, 17 May (AFP)--Two terrorist attacks with a toll of five dead security agents were reported in El Salvador this morning. The first one took place in Colima, next to Lake Suchitlan, about 40 km north of the capital. Three national navy agents stationed there to control the movement of small ships were machinegunned. The house which they used as their headquarters was also dynamited.

The clandestine Popular Liberation Forces (FPL) claimed credit for the attack. FPL members also stole the seamen's weapons. Another attack took place at the entrance to the educational television studios in the city of Santa Tecla, 12 km west of San Salvador, where two policemen were machinegunned in the back and died. The assailants took the victims' weapons. The FPL also claimed credit for this attack.

Demonstration in Support of BPR

PA180359 Paris AFP in Spanish 0242 GMT 18 May 79 PA

[Text] San Salvador, 17 May (AFP)--About 200 to 300 persons demonstrated in San Salvador this afternoon in support of the People's Revolutionary Bloc [BPR], the Marxist organization that is holding the French and Venezuelan ambassadors hostage.

The BPR issued a call to the people to participate in the demonstration but it was not as successful as the leaders had hoped. According to observers, many BPR members or supporters apparently feared that today's demonstration would give rise to bloody confrontations with the police.

The demonstration was held in the square in front of San Salvador Cathedral, the site of the tragic events on 8 May when 23 demonstrators were killed by the police. The cathedral continues to be occupied by about 40 BPR militants. A young militant spoke for more than 1 hour to the crowd that had gathered under the portico of a building. She paid homage to the "heroes" and "martyrs" who had been killed by the police. The youth used a portable loudspeaker to urge her listeners to struggle for the building of socialism and the establishment of a government of workers and peasants. We must put an end to the bourgeoisie, she said, adding that when the countries of the world reach socialism, imperialism will fall by itself. The demonstration was continuing at 1700 without the presence of the police or army.

FAPU Occupation of Churches

PA181212 Paris AFP in Spanish 0323 GMT 18 May 79 PA

[Excerpts] San Salvador, 17 May (AFP)--It has been reported that the United Popular Action Front (FAPU) today occupied the church of El Calvario in San Salvador's commercial area. The action was carried out in support of the occupations that the People's Revolutionary Bloc (BPR) has been staging since 4 May. The FAPU is similar to the BPR. It is made up of leftist students, workers and peasants but it differs from the BPR in the procedures it uses. It has been publicly criticized for not making efforts to unite its actions against the government. Nevertheless, FAPU supports the BPR's actions. Besides El Calvario church, it is also occupying the church in Soyapango, 8 km east of San Salvador.

NICARAGUA

FSLN REJECTS AGREEMENT WITH ARMY ON RULES OF WAR

PA180407 Paris AFP in Spanish 2338 GMT 17 May 79 PA

[Text] Managua, 17 May (AFP)--In a communique, the Sandinist National Liberation Front [FSLN] today rejected all possibility of a dialog with the army and added that the country is heading toward a definitive and total war. At the same time, it was officially reported that 13 persons were killed today in violent political incidents in Managua and Leon, 90 km west of the capital.

The communique, issued clandestinely, is in reply to a suggestion from the National Civic Committee which had proposed that the Sandinists and army officers meet to reach agreement on humanitarian rules for the armed conflict in the country. The rules proposed by the group included respect for the lives of minors, declaration of schools and hospitals as neutral zones and guarantees for the lives of prisoners of war.

The Sandinists said they will never accept any agreement with the army, which they blame for all the atrocities that are occurring in Nicaragua, including the killing of minors. Referring to the army, the guerrillas indicated that "there is no other alternative but war to the death and its destruction." The FSLN also warned the National Civic Committee which proposed the agreement that "it must take sides in the struggle because the situation in Nicaragua has reached a point in which no one can remain neutral."

Meanwhile, other violent incidents continue to occur in various points in the country. In Leon, 90 km west of Managua, several persons have died as a result of the political violence, including a criminal judge, Genaro Matute, who was killed by an armed group that broke into his home. David Lorio, leader of the workers of the state electric power enterprise, today took asylum in the Venezuelan Embassy, indicating that armed groups are trying to kill him. Directors of several schools have begun efforts to end the school year earlier sothat minors will not have to go into the streets due to the danger they have to run every day.

STATION REPORTS SANDINIST ACTIVITIES AGAINST CIVILIANS

PA171430 Managua Estacion X in Spanish 0430 GMT 17 May 79 PA

[Text] The Sandino-communist front continues exterminating the civilian population, particularly the young. Several masked men, who identified themselves as members of the Sandino-communist front, killed a young boy and a teenager last night in San Judas neighborhood. The two victims have been identified as Francisco Gaitan, 15, and Julio Cesar Lopez Vanegas, 12. The only crime committed by the two murdered youngsters is that of being the sons of military men.

Such is the respect for life and human rights, which the country's opposition mentions so often. Another criminal attack was carried out this morning near the Maximo Heredia colony against several students of the 1 February school. A group of terrorists, who later managed to escape, set fire to the school bus, in which several students had been traveling. Five students and a teacher, who serves as a bus monitor, suffered serious burns from this criminal action.

RADIO SANDINO ANNOUNCES SCHEDULE CHANGE

PA152354 (Clandestine) Radio Sandino in Spanish to Nicaragua 2230 GMT 15 May 79 PA

[Text] Nicaraguan brothers, we will now read an official Radio Sandino communique addressed to the Nicaraguan people and the world.

We fulfill our duty of notifying our heroic people that Radio Sandino, official voice of the Sandinist National Liberation Front, will begin a new phase of communications with the Nicaraguan people tomorrow by continuing our transmissions on the 49 meter band and with a schedule different from the current one. Fulfilling the orders of our national leadership, it has been deemed advisable to carry out two transmissions. These will be from 0500 to 0700 [1000-1200 GMT] and from 2100 to 2300 [0200-0400 GMT] in order to give better coverage to the Nicaraguans who daily listen to our message of liberation.

We also report that this schedule may be changed to the extent that the insurrectional process intensifies. In the future we will broadcast all the time that is necessary, mainly at the moments of the liberation war which is coming. We reiterate our firm determination and commitment of always being with our people, for whom we will be carrying the main news of the current times as well as the instructions of action for the coming difficult times in this struggle against the Somozist dictatorship. The Sandinist insurrection will triumph--free fatherland or death!

[Signed] Squad responsible for Radio Sandino, somewhere in Nicaragua.

JAMAICA

THE GLEANER COMMENTS ON 'SOCIAL CONTRACT'

FL141450 Kingston THE DAILY GLEANER in English 11 May 79 p 10 FL

[Editorial: "Growth as the Key"]

[Text] The Prime Minister Mr Manley last Thursday tabled in parliament a ministry paper outlining certain specific requirements for the 'social contract' as a pre-condition for economic recovery. According to this ministry paper the proposals, which are based on voluntary cooperation in preference to mandatory sanctions, reflect the product of the government's consultations with all sectors of the economy. Hence the government's belief that a social contract is possible. But the significant theme running through the document, is that any real prospect of an economic recovery and a reduction of the danger of a social upheaval in the country, depends on the extent to which the economy can return to an overall growth path, with a positive recovery in general production, income and employment. Of course the factor with a major influence on this desired goal is foreign exchange, so that, to the extent that foreign exchange earnings, and capital inflows, continue to fluctuate rapidly, economic growth will be adversely affected. It has been estimated that to achieve at least a 3 percent growth the country would need access to a minimum of U.S. $1 billion to finance imports and, according to the prime minister the government has identified the sources of the additional foreign exchange to bridge the gap.

It is to be hoped, however, that the government's programme for financing the foreign exchange needs, which is only for basic imports, becomes a reality for as the bitter experience of fiscal year 1978-79 shows, it is easier to make promises about the identification of sources of capital than to make the resources available for vital imports to sustain production. But notwithstanding the desperate foreign exchange needs, the government cannot proceed on the baseless premise that the strained financial resources have been the only obstacle to economic growth, for there is the almost total lack of mutual trust, a necessary ingredient to capital investment, which has inhibited effective cooperation between government and the productive sectors. In this regard proposals which could set the bases for a workable contract, have been put forward by the opposition JLP [Jamaica Labor Party] and by the private sector producers and, as Mr Seaga has stated, how the government responds to these could determine success or failure.

Equally important to the social contract experiment is the matter of inflation and its consequences for the standard of living. From an annual rate of increase of 50 percent last year the government is now projecting a rate of 10 percent for 1979. This implies that government has found a way to control even the pressure of international prices on domestic inflation, which seems most improbable. Up to the end of last month inflation in the United States, for example, was running at an annual rate of 11.4 percent, instead of the 7 percent projected by the authorities, and one would expect this to influence developments here. Moreover, the unions have shown reluctance to accept the wage guidelines preferring the flexibility of collective bargaining. There is no doubt that without a concerted and united effort at economic recovery, the country will move from crisis into chaos and already there are some incipient signs of this.

GOVERNMENT REJECTS OPPOSITION CALL FOR ELECTIONS

FL171510 Kingston THE DAILY GLEANER in English 12 May 79 pp 1, 17 FL

[Excerpt] Government has rejected an opposition call for early elections and a number of other proposals in a package deal on the proposed social contract.

Elections were proposed to be held within six months after agreement had been reached on areas of dispute, over alleged abuses of human rights and trade union resistance to the wage guidelines. The last possible date for general elections in the normal course of events is April 1982.

In announcing the collapse of discussions between government and opposition, Mr Edward Seaga said yesterday: "There is now no basis for co-operation between the opposition and the government on the social contract despite attempts by the opposition to persuade the government to set the right climate for such an agreement." There has been no official statement on the discussions which flowed from the call for cooperation by the prime minister early last month.

Among the proposals Mr Seaga said have been rejected were: The appointment of a new police service commission and public service commission, a contractor general, two special ombudsmen to deal with victimisation and complaints against the security forces and a media authority to oversee appointments to the directorship of publicly controlled media.

The text of the JLP announcement yesterday is as follows: The PNP government has rejected the proposals put forward by the opposition JLP as the basis on which there could be concurrence on the terms of the proposed social contract. This rejection means that there is now no basis for cooperation between the opposition and the government on the social contract despite attempts by the opposition to persuade the government to set the right climate for such an agreement.

The proposals put to the government by the JLP fall into three parts:

(1) The setting up of machinery to provide impartial administration for those areas of public life in which governmental abuses have led to a denial of political rights of citizens.

The abuses of human rights which have been the basis of JLP protests over the past two-and-a-half years are as follows: (A) Manipulation of the electoral system; (B) Manipulation of the security forces; (C) Government expenditure for political purposes; (D) Manipulation of the distribution of scarce benefits; and (E) Manipulation of the public media.

(2) The opposition also stipulated that to conclude any agreement with the JLP, the government would also have to reach agreement with the trade union movement on the conditions of the wage guidelines.

(3) If these conditions were agreed to by the government, it would then seek a new mandate at the polls within six months after agreement was reached.

EEC GRANT FOR CARICOM FORTHCOMING

FL121420 Bridgetown ADVOCATE-NEWS in English 8 May 79 p 1 FL

[Excerpts] Georgetown, Guyana, Monday, (CANA)--The less developed countries (LDC'S) of the Caribbean Community (CARICOM) are expected to receive an allocation of about G$3.3 million from the European Economic Community (EEC) to help them establish a pool of experts and common services within the sub-grouping, it was announced here.

A spokesman of the EEC delegation here told CANA that a formal request for the grant has been received from the CARICOM Secretariat and will be passed on to the EEC in Brussels within another week.

Approval is expected within another few months for the application, which covers the posting of a resident expert in Antigua to work with the secretariat of the East Caribbean Common Market (EECM) and provision for readily available funds to finance studies related to the project, the spokesman added.

"The grant will be part of a total allocation of just over G$100 million approved in principle by the EEC for CARICOM regional projects, as part of the aid provisions of the convention.

AID FROM PRC TO CONTINUE

FL171520 Kingston The SUNDAY GLEANER in English 13 May 79 p 1 FL

[Text] There is no truth in a radio report broadcast on Friday and yesterday that the Chinese Government had halted a shipment of equipment for the Old Harbour textile plant because of Mr Manley's joining with the Soviet Union in criticising China over the Chinese-Vietnamese conflict.

A check by THE GLEANER with the embassy yesterday elicited the information that the first shipment of equipment had already arrived, and that the second shipment is on its way and should arrive by July.

The Chinese Embassy say that the Chinese do not attach strings to their aid, and it is an untruth to state otherwise. The Chinese say that Jamaica and China are friends and that Jamaica is a Third World country with which China wishes to continue and develop friendship.

The Chinese have been converting the old jute factory in Old Harbour into a textile factory to produce polyester cotton fabric. The Chinese are providing the equipment and the expert staff to train Jamaicans. The government of Jamaica is responsible for the construction and redecoration. Despite delays last year, the project is now on stream with the closest of co-operation between the Ministry of Industry and Commerce and the Chinese Embassy.

In March at the seminar of the World Peace Council, the Prime Minister Mr Manley had expressed criticism of the Chinese invasion of Vietnam, and in the communique at the end of his April visit to Russia, Mr Manley joined the Russians in disagreeing with the concept that a country (China) could punish another country--Vietnam.

The Chinese had invaded Vietnam on February 17 because they said Vietnam had given intense border provocation including killing over 300 Chinese citizens. Their invasion, they said, was limited, and was to teach the Vietnamese a lesson. At the end of three weeks, the Chinese withdrew from Vietnam. In January, the Vietnamese had invaded Cambodia and ousted the Pol Pot regime which was allied to the Chinese.

The Jamaica-Soviet communique had no criticism of Vietnam, though in the Security Council in January, Jamaica had sponsored a resolution calling for withdrawal of "all foreign troops from Cambodia"--a resolution vetoed by Russia.

COLOMBIA

PRESIDENT TURBAY CONFIRMS TRIP TO MOSCOW

PA171612 Bogota Cadena Radial Super in Spanish 1100 GMT 17 May 79 PA

[Text] President Julio Cesar Turbay Ayala has cleared some doubts about his trip to Europe by confirming that he will go to Moscow. Unofficial sources had commented that President Turbay was not going to Moscow because of Leonid Brezhnev's poor health. However, sources from San Carlos Palace a few hours ago confirmed that President Turbay is including Moscow in his trip to Europe.

PRESIDENT TURBAY DENIES EXCEEDING SPECIAL POWERS

PA171604 Bogota Cadena Radial Super in Spanish 1100 GMT 17 May 79 PA

[Text] President Julio Cesar Turbay Ayala rejected the criticism made against his administration which has been accused of exceeding the special powers granted by congress. President Turbay explained that it is a modern procedure to have congressmen grant the government the instruments required for doing a good job. President Turbay mentioned the specific case of England, which originated the parliamentary system, where it is common practice to grant the executive branch the means to legislate. A similar system is practiced in France, he pointed out.

M-19 LEADER SAYS 7,000 ARMY WEAPONS STOLEN

PA161350 Madrid EFE in Spanish 0236 GMT 16 May 79 PA

[Excerpts] Bucaramanga, Colombia, 15 May (EFE)--Carlos Toledo Plata, the top leader of the subversive M-19 movement, said today that the number of weapons stolen from the army in Bogota was 7,000 and not 5,000. Toledo Plata, who was apparently the mastermind behind the bold 1 January blow against the army depot in northern Bogota, explained through a letter that 3,000 of the 7,000 weapons have "already been distributed among operating members" throughout the country.

Referring to the arms theft, the guerrilla leader asserts that "the number of arms recovered from the Usaquen depot by the revolution was not 5,000 but 7,000, the number kept there since 1973." Toledo Plata adds in his letter that "of those 7,000 weapons, we lost 4,000. We have already delivered the remaining 3,000 to the bases of operation." It was determined that the letter ends with the signature "Carlos Toledo Plata, commandant of the M-19."

DOMINICAN REPUBLIC

DIRECT OIL PURCHASES FROM VENEZUELA SOUGHT

FL172336 Santo Domingo Domestic Service in Spanish 2300 GMT 17 May 79 FL

[Text] It was confirmed today that the Dominican Republic and Venezuela are holding government-to-government negotiations for the Dominican Republic to acquire oil on a direct basis. Industry and Commerce Secretary Eng Manuel Gomez Pieterz confirmed it and said that the rise in oil prices could result in higher prices for oil byproducts. He confirmed that the president of the Dominican oil refinery has contacted Venezuelan officials for the purpose of obtaining oil directly, in other words, from government to government. Gomez Pieterz said that the direct sale of oil would greatly benefit the Dominican Republic because better prices could be obtained.

MEETING WITH HAITIAN PRESIDENT ANNOUNCED

FL172324 Santo Domingo Domestic Service in Spanish 2300 GMT 17 May 79 FL

[Text] President Antonio Guzman has confirmed that he soon will meet Haitian President Jean-Claude Duvalier. So far, the date and place of the meeting of the two chiefs of state has not been announced. The news media recently reported the meeting between the Dominican and Haitian presidents, however, the reports had not been confirmed officially until today.

PANAMA

BUDGETS OF CANAL SUBCOMMITTEES APPROVED

PA162227 Panama City LA REPUBLICA in Spanish 15 May 79 pp 1,6 A PA

[Text] The National Finance Commission this morning approved the budgets to cover the firemen, the police, traffic, garbage collection and post office services which our country will take over in the Canal Zone as of 1 October when the Torrijos-Carter treaties go into effect. These activities, according to the reports, will entail an allotment of approximately $5 million, and their respective budgets will have to be approved shortly by the council of cabinet. Sources from the National Finance Commission, which was chaired by Minister Gustavo Gonzalez today, pointed out that the budgets of other subcommissions of the Canal Authority will be reviewed in June.

PARTY REGISTRATION FIGURES RELEASED

PA162219 Panama City MATUTINO in Spanish 16 May 79 pp 1-A, 8-A PA

[Excerpt] Yesterday, the electoral tribunal provided this newspaper with statistical information according to which up until 13 May the Democratic Revolutionary Party (PRD) had registered 153,150 supporters, the Liberals had registered 21,878, and the Broad Popular Front (FRAMPO) had registered 16,919. As is general knowledge, these parties need 30,000 supporters to become legal political parties.

POLICE ARREST THREE FEP STUDENTS

PA160131 Panama City Televisora Nacional in Spanish 2315 GMT 15 May 79 PA

[Text] Three students, members of the Federation of Panamanian Students [FEP], were arrested today for painting slogans against the Salvadoran Government on walls and windows in one sector of Panama City. The students were arrested under a city ordinance which prohibits the painting of slogans on walls. The incident occurred on Elvira Mendez Street, where the Salvadoran Embassy was being picketed.

The picketing was carried out by FEP students to protest the crimes committed in the last few days in San Salvador by government forces. At the conclusion of the ceremony of solidarity with the Salvadoran people, the police warned that peaceful protests were permitted but that painting slogans on the walls of houses and buildings was prohibited. The FEP members ignored the warning and, as they were painting the slogans, the National Guard proceeded to arrest them. The three students were taken to National Guard headquarters in a patrol car and so far it is not known whether they are still under arrest.

BRIEFS

CACAO PRODUCTION INVESTMENT--The Agricultural Development Ministry will invest 4.6 million balboas in the cultivation of 2,040 hectares of cacao in Bocas del Toro Province. It is estimated that Panama's cacao production this year will be approximately 17,000 quintals, which represents a gross income of 2.4 million balboas. [Text] [Panama City Domestic Service in Spanish 1730 GMT 16 May 79 PA]

VENEZUELA

CUBA TO ATTEND INTERPARLIAMENTARY CONGRESS

PA170448 Caracas EL NACIONAL in Spanish 12 May 79 p D-11 PA

[Text] Cuba has confirmed to the Venezuelan Congress that it will send a delegation to the World Interparliamentary Congress that will be held in Caracas in the first half of September. Cuban ambassador to Venezuela Norberto Hernandez Curbelo confirmed Cuba's attendance during a visit he paid to Dr Carlos Canache Mata, president of the Chamber of Deputies of the Venezuelan Congress.

During the meeting, they discussed issues related with the friendship and exchanges between Cuba and Venezuela and the prospects for improving them in the near future. The World Interparliamentary Congress will be held in the installations of the federal capitol.

OPEC UNITY REPORED 'MORE SOLID THAN EVER'

PA171634 Madrid EFE in Spanish 0841 GMT 17 May 79 PA

[Text] Caracas, 17 May (EFE)--According to Venezuelan Energy and Mines Minister Humberto Calderon Berti, the unity within OPEC is now "more solid than ever." Calderon Berti, who is currently visiting seven oil-exporting Arab countries, has affirmed that the present international oil situation contributes to the strengthening of OPEC.

The Venezuelan minister made these statements on arriving in Doha, Qatar where he also announced that the price of Venezuelan oil will increase "within the next few days." The two basic purposes of Calderon Berti's trip are to analyze oil prices and discuss the reestablishment of OPEC's $800 million development fund for Third World countries which have balance of payment deficits.

OIL PREMIUMS INCREASE EFFECTIVE 16 MAY

PA170210 Caracas Radio Continente Network in Spanish 2050 GMT 16 May 79 PA

[Text] The Venezuelan Government has decided to increase its existing market premium for light and medium crude by 60 cents [per barrel] starting today. The Energy and Mines Ministry information was transmitted by the VENPRES news agency.